

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of: No. 10F-BD021-SBD

3 **JPM FINANCIAL SERVICE CORP. DBA**  
4 **WINDSOR LENDING AND JORGEN**  
5 **OLSEN, OWNER**  
3089 South Highland Drive #390  
Salt Lake City, Utah, 84106

**CONSENT ORDER**

6 Respondents.

7 On September 2, 2009, the Arizona Department of Financial Institutions ("Department")  
8 issued an Order to Cease and Desist; Notice of Opportunity for Hearing; Consent to Entry of Order  
9 ("Cease and Desist Order") alleging that Respondents had violated Arizona law. Wishing to resolve  
10 this matter in lieu of an administrative hearing, Respondents do not contest the following Findings of  
11 Fact and Conclusions of Law, and consent to the entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Respondent JPM Financial Service Corp. dba Windsor Lending ("Windsor Lending"), is  
14 a Utah Corporation that is authorized to transact business in Arizona as a mortgage broker (license  
15 number MB 0906331) within the meaning of A.R.S. §§ 6-901, *et seq.* The nature of Windsor  
16 Lending's business is that of a mortgage broker, within the meaning of A.R.S. § 6-901(8)<sup>1</sup>.

17 2. Respondent Jorgen Olsen ("Mr. Olsen") is the owner of Windsor Lending. Mr. Olsen is  
18 authorized to transact business in Arizona as a mortgage broker within the meaning of A.R.S. § 6-  
19 903(E)<sup>2</sup>.

20 3. Windsor Lending and Mr. Olsen are not exempt from licensure as mortgage brokers  
21 within the meaning of A.R.S. §6-902.

22 4. An examination of Respondents conducted by the Department, beginning January 21,  
23 2009 and concluding January 26, 2009, revealed that Respondents:

24 \_\_\_\_\_  
25 <sup>1</sup> As of September 30, 2009, A.R.S. § 6-901(8) has been reconfigured as A.R.S. § 6-901(11).

26 <sup>2</sup> A.R.S. § 6-903(E) was reconfigured, as of September 30, 2009, as A.R.S. § 6-903(H).

- 1 a. Failed to obtain a branch office license from the Superintendent and designate a  
2 person from each branch to oversee the operations of that office, specifically:
- 3 i. Respondents stated that the Arizona loans were processed at the unlicensed  
4 location of 61 West University Parkway, Orem, Utah 84058; and
- 5 ii. The Department's examiner found that Respondents held out the unlicensed  
6 location of 259 E. 2100 S., Salt Lake City, Utah 84115 to at least two (2)  
7 borrowers;
- 8 b. Used an unapproved name in transacting or soliciting mortgage broker business,  
9 specifically:
- 10 i. Respondents failed to use the name "Windsor Lending" as issued on its  
11 Arizona mortgage broker's license on at least three (3) mortgage loan  
12 transactions, instead using "JPM Financial Services";
- 13 c. Failed to include the name and mortgage broker license number as issued on the  
14 mortgage broker's principal place of business license within the text of their web  
15 page, mortgagesolutionsonline.com;
- 16 d. Failed to conduct the minimum elements of reasonable employee investigations prior  
17 to hiring employees, specifically:
- 18 i. Failed to obtain all Immigration Reform and Control Act documents before  
19 hiring at least two (2) employees;
- 20 ii. Failed to obtain a completed Employment Eligibility Verification (Form I-9)  
21 before hiring at least two (2) employees;
- 22 iii. Failed to obtain a completed and signed employment application before hiring  
23 at least one (1) employee;
- 24 iv. Failed to obtain a signed statement attesting to all of an applicant's felony  
25 convictions, including information regarding each conviction, before hiring at  
26 least one (1) employee;

- 1 v. Failed to consult with the applicant's most recent or next most recent  
2 employer before hiring at least two (2) employees;
- 3 vi. Failed to inquire regarding the applicant's qualifications and competence for  
4 the position before hiring at least two (2) employees; and
- 5 vii. Failed to obtain a current credit report from a credit reporting agency before  
6 hiring at least two (2) employees;
- 7 e. Failed to maintain a complete organizational file, specifically:
- 8 i. Respondents did not keep minutes, as required;
- 9 f. Failed to adequately update and reconcile records, specifically:
- 10 i. Respondents could not provide documentation that their bank accounts had  
11 been reconciled;
- 12 g. Failed to maintain a complete loan application list, specifically:
- 13 i. The examiner noted that the loan application list did not show the loan amount  
14 or the disposition date for the cancelled/denied/withdrawn loans;
- 15 h. Failed to maintain originals or copies of loan transactions, specifically:
- 16 i. A HUD-1 Settlement Statement was missing from one (1) mortgage loan file;
- 17 i. Allowed borrowers to sign regulated documents containing blank spaces without  
18 authorization, specifically:
- 19 i. Respondents allowed at least one (1) borrower to sign a Mortgage Broker  
20 Business Contract containing blank spaces; and
- 21 ii. Respondents allowed at least one (1) borrower to sign a 4506-T form  
22 containing blank spaces;
- 23 j. Failed to comply with the disclosure requirements of Title I of the Consumer Credit  
24 Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate Settlement  
25 Procedures Act (12 U.S.C. §§ 2601 through 2617), and the regulations promulgated  
26 under these acts, specifically:

- 1           i. The Truth-in-Lending disclosures provided to at least four (4) borrowers were  
2           incomplete;
- 3           ii. The Yield Spread Premium was not disclosed on the Good Faith Estimate  
4           provided to at least one (1) borrower; and
- 5           iii. The Servicing Transfer disclosure provided to at least one (1) borrower was  
6           incomplete;
- 7           k. Demonstrated evidence of insolvency, specifically:
- 8           i. A review of Respondents' payroll bank account showed negative balances  
9           and/or overdraft charges on the October 2008, November 2008 and December  
10           2008 bank statements;
- 11           l. Used an unlawful appraisal disclosure that limits a borrower to ninety (90) days in  
12           which the borrower may request a copy of an appraisal for which the borrower has  
13           paid;
- 14           m. Failed to use a statutorily correct written document agreement, signed by all parties,  
15           in connection with at least four (4) mortgage loans; and
- 16           n. Respondents' Responsible Individual, James Sammann, failed to be in active  
17           management of Respondents' activities, as evidenced by Respondents' thirteen (13)  
18           violations of statutes and rules.

19           5. Based upon the above findings, the Department issued and served upon Windsor Lending  
20           and Mr. Olsen the Cease and Desist Order on September 2, 2009. The Cease and Desist Order  
21           included the assessment of a civil money penalty in the amount of five thousand dollars (\$5,000.00)  
22           against Respondents, as well as the examination fee of nine hundred fifty eight dollars and seventy  
23           five cents (\$958.75).

24           6. Respondents have represented to the Department that they are in the process of winding  
25           down the business of JPM Financial Service Corp. dba Windsor Lending.

26           ...

1 **CONCLUSIONS OF LAW**

2 1. Pursuant to A.R.S. §§ 6-901, *et seq.*, the Superintendent has the authority and duty to  
3 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,  
4 rules, and regulations relating to mortgage brokers.

5 2. By the conduct set forth in the Findings of Fact, JPM Financial Service Corp. dba  
6 Windsor Lending and Mr. Olsen violated the following:

- 7 a. A.R.S. § 6-904(F)<sup>3</sup>, by failing to obtain a branch office license from the  
8 Superintendent and designate a person from each branch to oversee the operations of  
9 that office;
- 10 b. A.R.S. § 6-903(M)<sup>4</sup>, by using an unapproved name in transacting or soliciting  
11 mortgage broker business;
- 12 c. A.R.S. § 6-903(M)<sup>5</sup>, by failing to include the name and mortgage broker license  
13 number as issued on the mortgage broker's principal place of business license within  
14 the text of their web page, mortgagesolutionsonline.com;
- 15 d. A.R.S. § 6-903(N)<sup>6</sup> and A.A.C. R20-4-102, by failing to conduct the minimum  
16 elements of reasonable employee investigations prior to hiring employees;
- 17 e. A.A.C. R20-4-917(B)(9), by failing to maintain a complete organizational file;
- 18 f. A.A.C. R20-4-917(C), by failing to adequately update and reconcile records;
- 19 g. A.A.C. R20-4-917(B)(1), by failing to maintain a complete loan application list;
- 20 h. A.R.S. § 6-906(A) and A.A.C. R20-4-917(B)(6), by failing to maintain originals or  
21 copies of loan transactions;

22  
23 <sup>3</sup> A.R.S. § 6-904(F) was reconfigured as of September 30, 2009 as A.R.S. § 6-904(H).

24 <sup>4</sup> A.R.S. § 6-903(M) was reconfigured as of September 30, 2009 as A.R.S. § 6-903(P).

25 <sup>5</sup> See footnote 4.

26 <sup>6</sup> A.R.S. § 6-903(N) was reconfigured as of September 30, 2009 as A.R.S. § 6-903(Q).

- 1 i. A.R.S. § 6-909(A) and A.A.C. R20-4-921, by allowing borrowers to sign regulated  
2 documents containing blank spaces without authorization;
- 3 j. A.R.S. § 6-906(D) and A.A.C. R20-4-917(B)(6)(e), by failing to comply with the  
4 disclosure requirements of Title I of the Consumer Credit Protection Act (15 U.S.C.  
5 §§ 1601 through 1666j), the Real Estate Settlement Procedures Act (12 U.S.C. §§  
6 2601 through 2617), and the regulations promulgated under these acts;
- 7 k. A.R.S. § 6-905(A), by demonstrating evidence of insolvency;
- 8 l. A.R.S. § 6-906(C), by using an unlawful appraisal disclosure that limits a borrower to  
9 ninety (90) days in which the borrower may request a copy of an appraisal for which  
10 the borrower has paid;
- 11 m. A.R.S. § 6-906(C), by failing to use a statutorily correct written document agreement,  
12 signed by all parties, in connection with at least four (4) mortgage loans; and
- 13 n. A.R.S. § 6-903(E)<sup>7</sup> and A.A.C. R20-4-102, by failing to ensure that Respondents'  
14 Responsible Individual was in active management of Respondents' activities, as  
15 evidenced by Respondents' thirteen (13) violations of statutes and rules.

16 3. The violations, set forth above, constitute grounds for: (1) the issuance of an order  
17 pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and  
18 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the  
19 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and  
20 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the  
21 suspension or revocation of Respondents' license pursuant to A.R.S. § 6-905; (4) an order to pay  
22 restitution of any fees earned on loans made in violation of A.R.S. § 6-901, *et seq.*, pursuant to  
23 A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or proper for the  
24 enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§ 6-123 and 6-

25 \_\_\_\_\_  
26 <sup>7</sup> See footnote 2.

1 131.

2 **ORDER**

3 1. JPM Financial Service Corp. dba Windsor Lending and Mr. Olsen shall immediately stop  
4 the violations set forth in the Findings of Fact and Conclusions of Law. Respondents shall surrender  
5 their mortgage broker license upon execution of this Consent Order, and shall return the original  
6 license, if it can be located, to the Department with the signed Consent Order. If the original license  
7 cannot be located, Respondents shall submit a statement to the Department attesting to that effect,  
8 along with the signed Consent Order, by no later than January 8, 2010.

9 2. Respondents shall immediately pay to the Department a civil money penalty in the  
10 amount of one thousand dollars (\$1,000.00). The civil money penalty must be received by the  
11 Department no later than January 8, 2010. Respondents are jointly and severally liable for payment  
12 of the civil money penalty.

13 3. Respondents shall pay to the Department the examination fee of nine hundred fifty  
14 eight dollars and seventy five cents (\$958.75), pursuant to A.R.S. § 6-125, by no later than  
15 February 18, 2010.

16 4. Mr. Olsen shall comply with all Arizona statutes and rules regulating Arizona mortgage  
17 brokers, A.R.S. §§ 6-901, *et seq.*, as well as all loan originators, A.R.S. §§ 6-991, *et seq.*

18 5. The provisions of this Order shall be binding upon JPM Financial Service Corp. dba  
19 Windsor Lending and Mr. Olsen, their employees, agents, and other persons participating in the  
20 conduct of the affairs of Windsor Lending.

21 6. The provisions of this Order shall be binding upon Respondents, and resolves the Cease  
22 and Desist Order, subject to Respondents' compliance with the requirements of this Order.

23 ...

24 ...

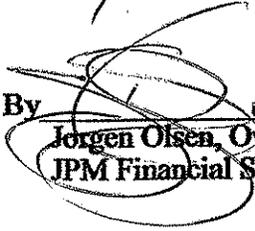
25 ...

26 ...



1 contest the validity of this Consent Order.

2 DATED this 4/11 day of JANUARY, 2010.

3  
4 By   
5 Jorgen Olsen, Owner  
6 JPM Financial Service Corp. dba Windsor Lending

7  
8 ORIGINAL of the foregoing filed this 1/14  
9 day of January, 2010, in the office of:

10 Thomas L. Wood  
11 Acting Superintendent of Financial Institutions  
12 Arizona Department of Financial Institutions  
13 ATTN: Susan Longo  
14 2910 N. 44th Street, Suite 310  
15 Phoenix, AZ 85018

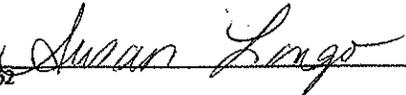
16 COPY mailed/delivered same date to:

17 Erin O. Gallagher  
18 Assistant Attorney General  
19 Office of the Attorney General  
20 1275 West Washington  
21 Phoenix, AZ 85007

22 Robert D. Charlton, Assistant Superintendent  
23 Chris Dunshee, Senior Examiner  
24 Arizona Department of Financial Institutions  
25 2910 N. 44th Street, Suite 310  
26 Phoenix, AZ 85018

AND COPY MAILED SAME DATE by  
Certified Mail, Return Receipt Requested, to:

Jorgen Olsen, Owner  
JPM Financial Service Corp. dba Windsor Lending  
1354 E. Claybourne Ave.  
Salt Lake City, UT 84106  
Respondents

  
#600252